



# ***USDA Tri-Agency Overview***

Trifurcated Program Delivery

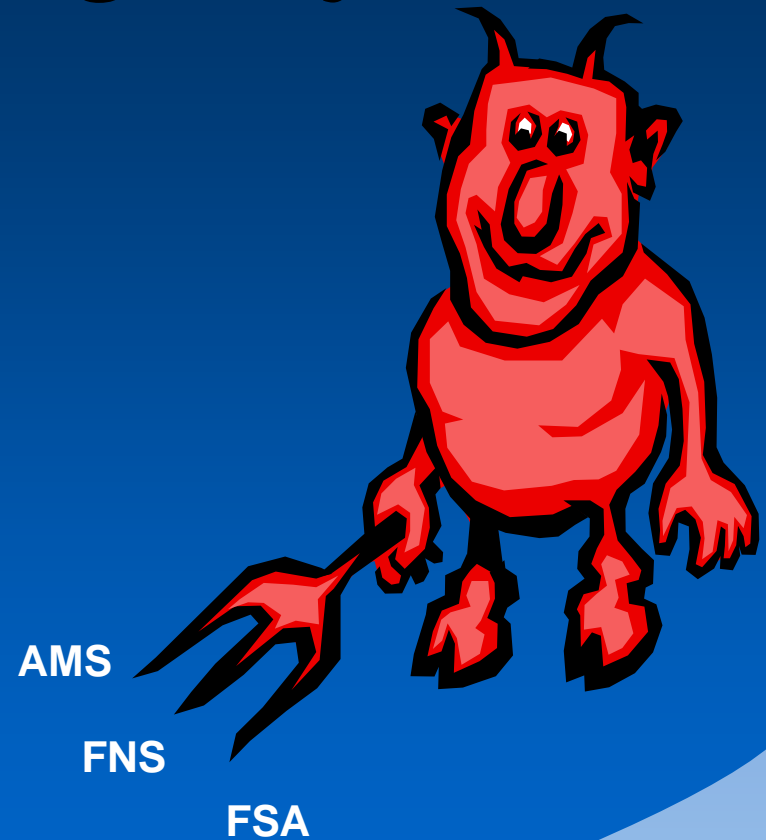


American Commodity Distribution Association  
2006 Annual Conference  
Denver, Colorado



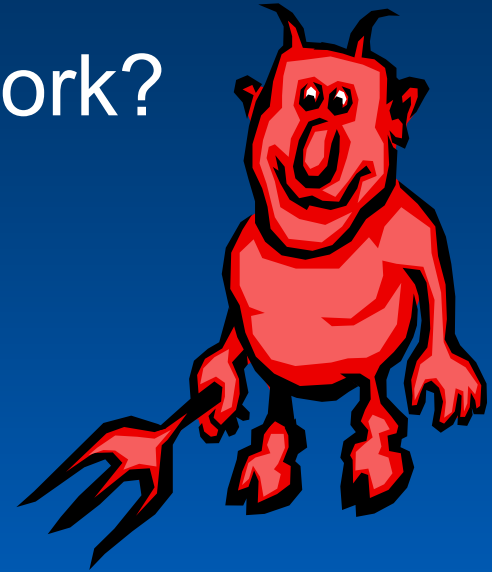
# ***Questions for an Agency?***

- What is the history of the commodity programs?
- Why does it take 3 USDA agencies to carry out these programs?
- Where can I find info on commodity programs?
- What types of commodities are purchased?

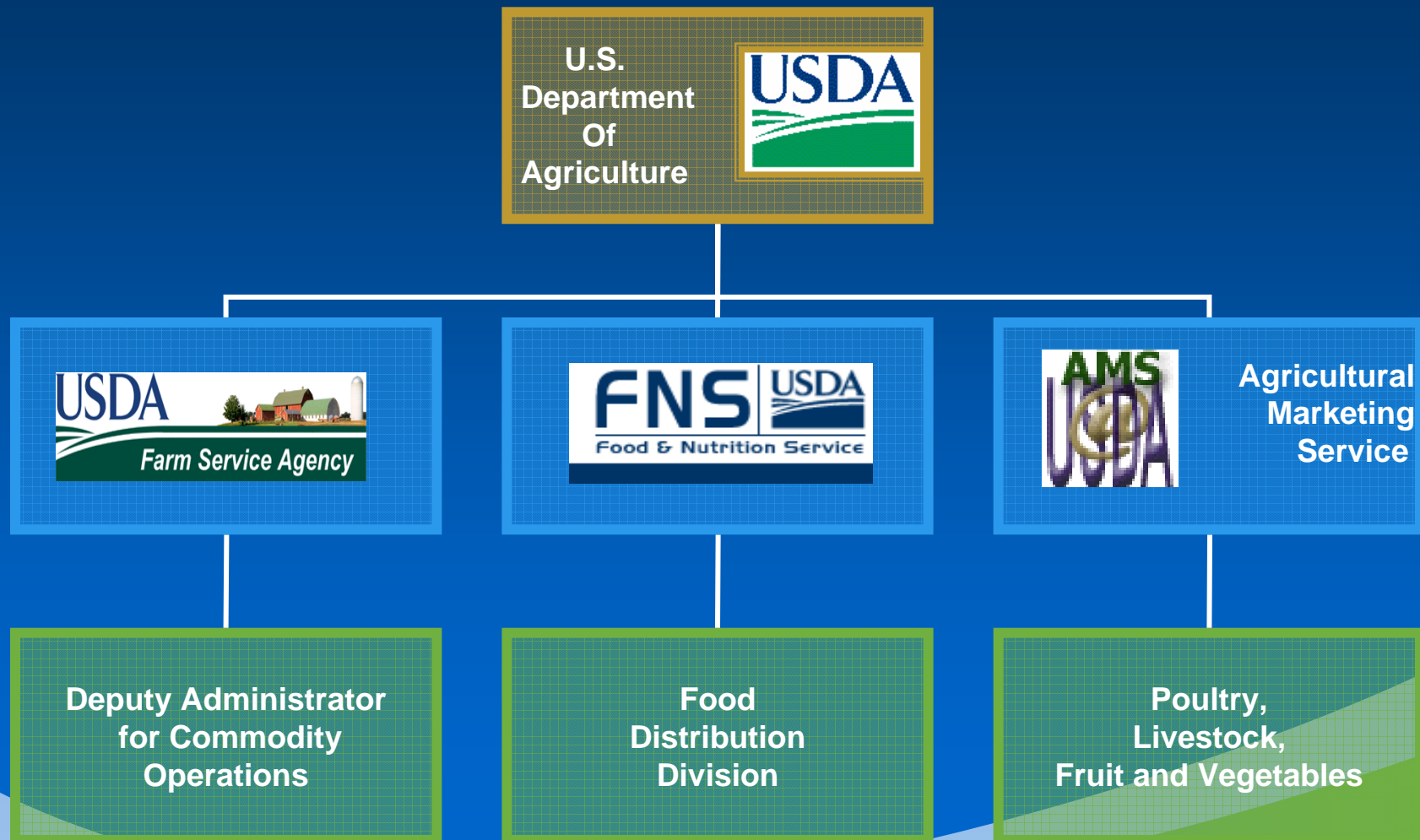


# ***Questions for an Agency?***

- How does the “Purchase Plan” work?
- What is entitlement v. bonus?
- What is “processing” all about?
- Who decides what foods will be purchased?
- How can I become a vendor?
- Explain Small Business Set Asides
- How does “Buy American” apply?



# The Tri-Agency Arrangement

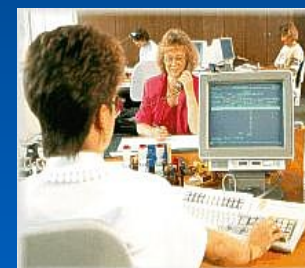


# Tri-Agencies, States, RAs



## *THE PROCESS*

- FNS works directly with State/local agencies to obtain & place food orders in accordance with authorized levels;
- Coordinates efforts with AMS/FSA, who handle:
  - Competitive vendor bids
  - Contract awards
  - Ensure delivery of purchases



# ***AGENCY FUNCTIONS***

- FNS' Food Distribution Division (FDD) administers USDA's commodity programs
- FDD works with AMS/FSA to plan annual commodity purchases based on:
  - Amount of \$\$ available by program
  - Market conditions

# *Program Basics*

- AMS Purchases
  - Livestock
  - Fish
  - Poultry
  - Eggs
  - Fruits and vegetables





# ***Program Basics***

- FSA Purchases
  - Processed Products
    - Grain (flour, cornmeal, grits, pasta, cereals, crackers)
    - Miscellaneous (oil, peanut butter, rice)
  - Dairy (price support)



# *Commodity Web Information*



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Commodity Food Network  
(CFN)

[www.commodityfoods.usda.gov](http://www.commodityfoods.usda.gov)



# *CFN Key Features*



## **One-Stop Commodity Portal Gives Instant Access to:**

- ECOS—USDA's Electronic Commodity Ordering System Key Partner websites and links—e.g. AMS, FNS, FSA, FSIS, ACDA, SNA, States, etc.
- Commodity Specifications, Commercial Item Descriptions, Commodity Fact Sheets for Schools
- Food Safety & Recall Updates Issued by FSIS and FDA
- Regulations, Public Laws, OMB Circulars, Forms, Fact Sheets, Policy Memos
- Foods Available List for All USDA Commodity Programs

..... And More!







# United States Department of Agriculture Commodity Food Network



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- ▶ [FDA Recalls & Alerts](#)
- ▶ [FSIS Recalls](#)
- ▶ [www.Recalls.gov](#)
- ▶ [Top Stories](#)

## USDA Agencies

- ▶ [Agricultural Marketing Service \(AMS\)](#)
- ▶ [Farm Service Agency \(FSA\)/Commodity Operations](#)
- ▶ [Food & Nutrition Service \(FNS\)/Food Distribution](#)
- ▶ [Food Safety & Inspection Service](#)

## Other Partners

- ▶ [ACDA](#)
- ▶ [CFDA.Gov](#)
- ▶ [FirstGov.Gov](#)
- ▶ [FoodSafety.Gov](#)
- ▶ [GovBenefits.Gov](#)
- ▶ [SFSP.USDA.Gov](#)
- ▶ [SNA](#) (f.k.a. ASFSA)

**NUTRITION.GOV**

**FIRSTGOV**  
Your First Click to the U.S. Government

## Welcome to CFN

The USDA Commodity Food Network (CFN) is the first ever one-stop Federal website that provides direct access to all services and resources available for the USDA Commodity Food Distribution Programs

## In the News



### Programs

- [Food Distribution Programs Home Page](#)
- [Commodity Supplemental Food Program](#)
- [DoD Fresh Fruit and Vegetable Program](#)
- [FD Program on Indian Reservations](#)
- [Nutrition Services Incentive Program](#)
- [Schools and Child Nutrition Institutions](#)
- [State Processing Program](#)
- [The Emergency Food Assistance Program](#)
- [National Processing Agreement Program](#)

## Navigation Tips

- ▶ [First Time Visitors Guide](#)
- ▶ [Quick Search](#)
- ▶ [Search By Agency / Topic](#)
- ▶ [Browse by Resources Main Menu](#)

**ECOS**



**Electronic Commodity  
Ordering System**



Your Online Resource for  
Recalls and Food Safety  
Information

## Featured Topics

- ▶ [Acronyms](#)
- ▶ [Applicant Eligibility](#)
- ▶ [Business/Industry](#)
- ▶ [Commercial Item Descriptions](#)
- ▶ [Commodity Codes](#)
- ▶ [Commodity Complaints/Hotlines](#)
- ▶ [Contacts \(Fed./State\)](#)
- ▶ [Disaster Assistance](#)
- ▶ [ECOS Modifications](#)
- ▶ [Fact Sheets](#)
- ▶ [FD National Policies](#)
- ▶ [FOCUS Website](#)
- ▶ [Foods Available](#)
- ▶ [Food Ordering/ECOS](#)
- ▶ [Food Purchasing](#)
- ▶ [Food Safety/Recalls](#)
- ▶ [NPA Home](#)
- ▶ [Power Point](#)
- ▶ [Recipe Exchange](#)
- ▶ [Regulations/Circulars](#)
- ▶ [Schools/CNPs](#)
- ▶ [Specifications](#)
- ▶ [State/ITO Websites](#)

## Commodity Programs

- ▶ [Food Distribution](#)
- ▶ [Beef/Fish/Pork](#)
- ▶ [Fruit & Vegetable](#)
- ▶ [Dairy Products](#)
- ▶ [Domestic Processed Products](#)
- ▶ [National Organic Program](#)
- ▶ [Poultry & Eggs](#)



**Web Site Accessibility**

# *AMS Selling Kit*

## *Commodity Programs:*

- Livestock and Seed

<http://www.ams.usda.gov/lscp/index.htm>

- Fruit and Vegetable

<http://www.ams.usda.gov/fv/fvcomm.htm>

- Poultry

<http://www.ams.usda.gov/poultry/pycom.htm>

# FSA Procurement Info

<http://www.fsa.usda.gov/daco/procure.htm>

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News Room | About Us | Services | Offices | Online Forms | Help

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► **Navigation**

- [Commodity Operations Home Page](#)
- [Site Map](#)
- [Procurement Information](#)
- [Vendor Qualification Requirements](#)
- [Reports: Sales, Prices & Data](#)
- [Notices to the Trade](#)
- [Freedom of Information Act](#)
- [FAQ's](#)
- [Contacts](#)
- [Comments/Suggestions](#)
- [E-mail subscription](#)
- [About DACO](#)
- PROGRAM ACTIVITY**
- [Bioenergy](#)
- [Bulk Commodities](#)
- [Contract Reconciliation](#)
- [Cotton](#)
- [Dairy Operations](#)

**Commodity Operations**  
[FSA Home Page](#) > [Services](#) > [Commodity Operations Home Page](#) > Procurement Information



## Procurement Information

The Kansas City Commodity Office of the Farm Service Agency issues invitations to the public to purchase commodities and related durable goods. Additionally, we utilize transportation and warehouse services across the country. Below you will find the information needed to make offers for potential contracts.

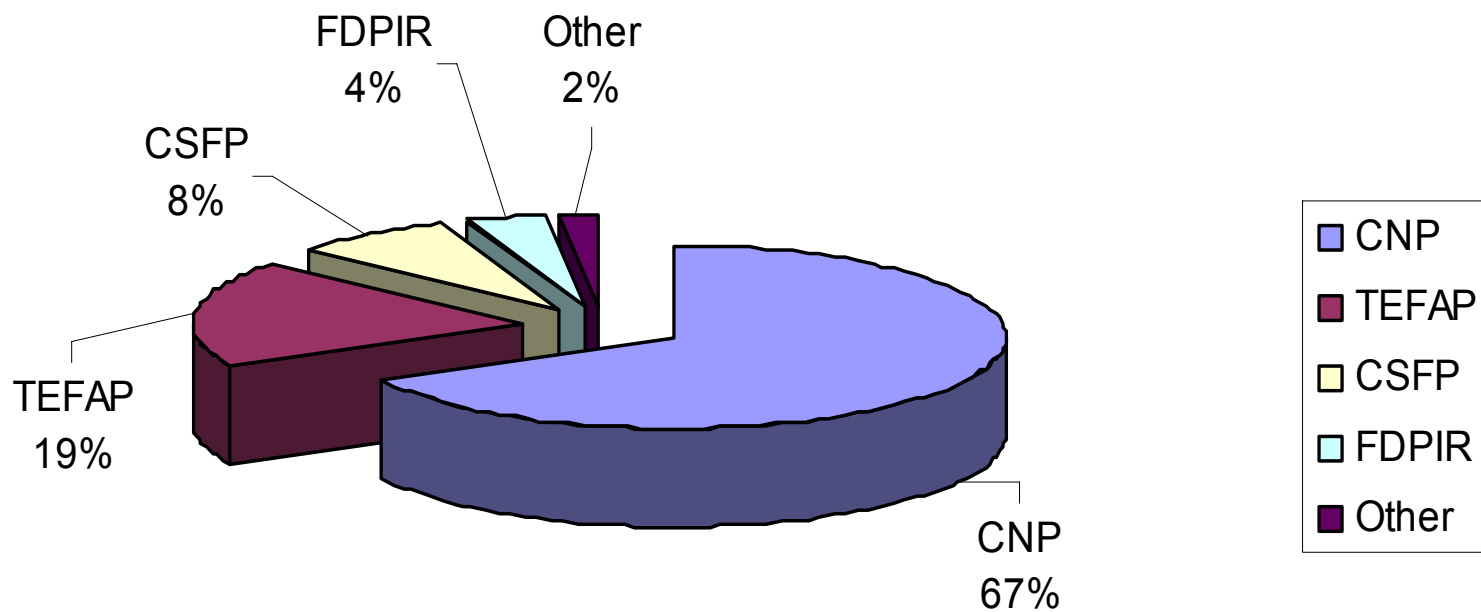
(All PDF files require [Adobe Acrobat Reader](#).)

- [Vendor Qualification Requirements](#)
-  [Master Solicitation for Commodity Procurements](#) effective for solicitations issued after September 1, 2005 updated 03/01/06
-  [Commodity Requirements](#) effective for solicitations issued after September 1, 2005

# ***PURCHASES***

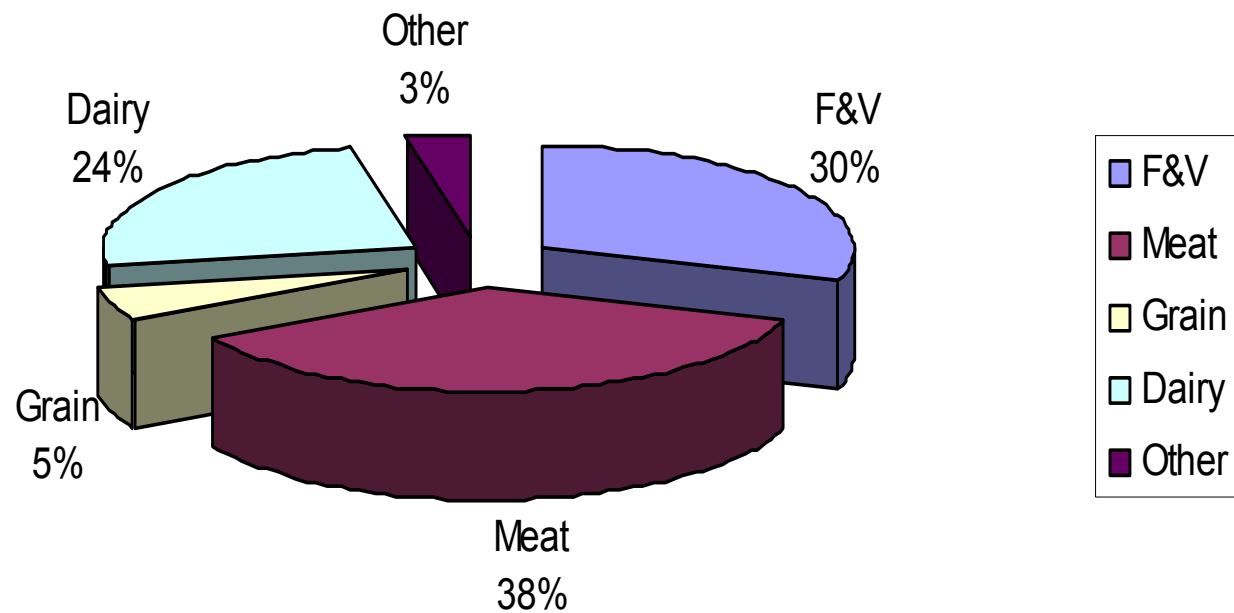
- Distributes over 1.9 billion pounds of food worth \$1.5 billion
- Serves about 98,000 public and non-profit private schools as well as organizations feeding the needy
- Over 145 commodity foods
- Many foods are purchased in ready-to-use form, but some are purchased in bulk quantities and further processed
- All products are not available in all programs

# ***DOLLARS SPENT BY PROGRAM FY 2005***





# ***FY 2005 DOLLARS SPENT BY COMMODITY TYPE***



# ***PURCHASE PLAN***

FDD works with AMS to plan annual commodity purchases, based on the amount of money available in each program and on market conditions.

# ***HOW IT WORKS***

- **Announcements are made by each program of USDA's intention to buy**
- **Invitations are issued for bids**
- **Contracts are awarded**
- **Products are delivered to State designated location** *(warehouse, commercial processor, or commercial distributor)*

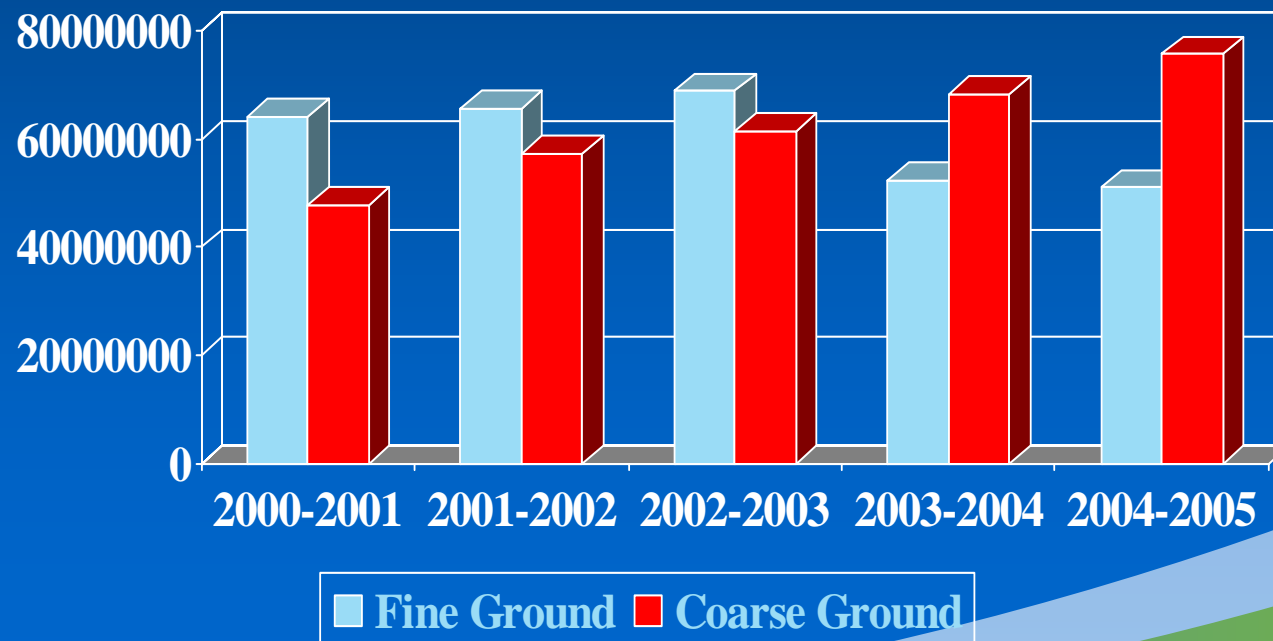
# ***AMS COMMODITY PURCHASES***

**Fiscal Year 2005**

	<b>TOTAL LBS. (Millions)</b>	<b>TOTAL DOLLARS (Millions)</b>
<b>Livestock</b>	<b>210.0</b>	<b>305.8</b>
<b>Fruit &amp; Vegetable</b>	<b>943.3</b>	<b>381.7</b>
<b>Poultry</b>	<b>260.4</b>	<b>229.4</b>
<b>TOTALS</b>	<b>1,413.7</b>	<b>916.9</b>

# ***AMS GROUND BEEF PURCHASES***

**School Years 2000-2005**





# ***FSA FY05 Purchases***

Processed commodities	Pounds	Dollar Amt
Bakery Flour	37,811,100	\$7,143,888.05
Corn Products	6,088,680	\$973,158.97
Saltine Crackers	521,640	\$365,318.10
Fortified Ready-to-Eat Cereal	14,998,481	\$18,847,554.96
Infant Rice Cereal	96,000	\$111,203.52
Processed Cereals	9,737,136	\$2,809,400.21
Macaroni & Cheese	794,976	\$429,250.13
Pasta Products	40,770,720	\$12,595,887.47
Wheat Flour	35,250,480	\$5,493,871.33
Peanut Products	31,495,213	\$20,984,140.32
Sunflower Seed Butter	406,560	\$611,872.80
Rice Products	37,128,000	\$8,128,461.65
Vegetable Oil Products	40,340,693	\$16,455,595.00
<b>TOTALS</b>	<b>255,439,679</b>	<b>\$94,949,602.51</b>

# ***FSA FY05 Purchases***

<b>Dairy Products</b>	<b>Pounds</b>	<b>Dollar Amt</b>
<b>Bulk Cheddar Cheese</b>	<b>22,872,462</b>	<b>\$38,513,051.96</b>
<b>Mozzarella Cheese</b>	<b>45,561,600</b>	<b>\$71,098,170.54</b>
<b>Processed Cheese</b>	<b>51,064,560</b>	<b>\$76,954,943.12</b>
<b>Evaporated Milk</b>	<b>15,055,200</b>	<b>\$6,765,634.05</b>
<b>Infant Formula</b>	<b>733,546</b>	<b>\$1,579,321.70</b>
<b>Butter</b>	<b>492,480</b>	<b>\$911,293.20</b>
<b>Pudding</b>	<b>50,739,631</b>	<b>\$0.00</b>
<b>Ultra High Temp</b>	<b>21,702,957</b>	<b>\$0.00</b>
<b>Bulk Cheddar Cheese</b>	<b>22,872,462</b>	<b>\$38,513,051.96</b>
<b>Mozzarella Cheese</b>	<b>45,561,600</b>	<b>\$71,098,170.54</b>
<b>Processed Cheese</b>	<b>51,064,560</b>	<b>\$76,954,943.12</b>
<b>TOTALS</b>	<b>208,222,436</b>	<b>\$195,822,415</b>

***USDA PURCHASES FROM STATES***  
***ALL PROGRAMS***  
***(In Millions of Dollars)***

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
AK	0.0	0.0	0.0
AL	16.3	19.2	19.2
AR	18.8	8.4	15.3
AZ	39.1	16.5	0.7
CA	551.0	501.0	312.3
CO	7.9	17.0	15.0
CT	5.3	3.9	0.0
DE	0.1	1.6	0.1
FL	10.6	30.2	10.0
GA	36.4	46.5	42.8
HI	16.6	27.7	21.2
IA	33.4	27.1	22.3
ID	104.5	59.8	24.4



***USDA PURCHASES FROM STATES***  
***ALL PROGRAMS***  
***(In Millions of Dollars)***

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
IL	60.1	56.0	63.9
IN	21.0	16.5	8.2
KS	9.8	3.3	3.1
KY	10.8	14.2	10.9
LA	5.2	4.5	11.6
MA	6.8	0.9	1.3
MD	3.4	5.5	4.1
ME	2.0	5.4	3.2
MI	32.0	47.9	44.0
MN	112.0	100.3	114.1
MO	109.4	152.2	108.9
MS	10.5	9.7	15.3
MT	0.2	0.5	0.4

***USDA PURCHASES FROM STATES***  
***ALL PROGRAMS***  
***(In Millions of Dollars)***

	<u><b>FY2003</b></u>	<u><b>FY2004</b></u>	<u><b>FY2005</b></u>
<b>NC</b>	26.4	30.1	29.3
<b>ND</b>	8.4	6.3	8.5
<b>NE</b>	38.9	29.5	21.3
<b>NH</b>	0.0	0.0	0.0
<b>NJ</b>	3.4	6.0	15.3
<b>NM</b>	50.3	15.7	8.8
<b>NV</b>	0.0	0.0	0.0
<b>NY</b>	4.9	6.0	6.9
<b>OH</b>	25.0	13.2	10.5
<b>OK</b>	1.0	1.0	0.8
<b>OR</b>	17.2	24.9	18.1
<b>PA</b>	78.0	46.8	49.0
<b>PR</b>	3.1	1.0	1.3

***USDA PURCHASES FROM STATES***  
***ALL PROGRAMS***  
***(In Millions of Dollars)***

	<u><b>FY2003</b></u>	<u><b>FY2004</b></u>	<u><b>FY2005</b></u>
<b>RI</b>	0.0	0.0	0.0
<b>SC</b>	8.0	7.3	8.7
<b>SD</b>	6.9	6.5	5.5
<b>TN</b>	15.7	29.0	21.0
<b>TX</b>	89.2	88.8	62.8
<b>UT</b>	0.9	6.7	11.1
<b>VA</b>	9.0	2.4	14.2
<b>VT</b>	0.3	1.0	3.5
<b>WA</b>	90.4	59.1	40.4
<b>WI</b>	122.8	90.0	105.7
<b>WV</b>	8.6	8.9	5.2
<b>WY</b>	0.0	0.0	0.0

# *ENTITLEMENT v. BONUS*

## **“Entitlement” Commodities**

- By law, States can order a certain amount of food each year for schools that participate in the NSLP.
- The amount is based on an annual per meal reimbursement rate.
- SY 2005-2006 rate is 17.50¢ for each lunch served.



# *ENTITLEMENT v. BONUS*

## **“Bonus” Commodities**

- **Distributed to schools and outlets that serve needy families during the year as they become available.**
- **Made available to schools in addition to those provided as an entitlement.**
- **Products that USDA buys through its price support and surplus removal programs.**

# ***Bonus Commodities***

## **Products Offered to schools in 2006:**

- **Cherries, Frozen**
- **Sweet Potatoes**
- **Crushed Pineapple, Canned**
- **Dry Beans**



# *Bonus Commodities*

## Bonus Purchases for TEFAP in 2006

- Canned sweet potatoes
- Grape juice
- Dried cherries
- Fig pieces
- Dry beans



# ***Commodity Processing***





# *Our Processing Philosophy...*

- Commodity dollars go further with USDA bulk purchases for direct diversion
- School district's processor can meet individual needs
  - ✓ Consistent finished products
  - ✓ Quantities that work in their district
  - ✓ When needed throughout the year
- USDA purchases of further processed products have been called restrictive and disruptive



# *National Processing Agreements*

## *What does it mean?*

- ◆ Processors & FNS enter into National Agreement
- ◆ FNS holds a single bond for each vendor
- ◆ FNS reviews and approves all EPDS
- ◆ States enter into State Agreement with Processor



# FSA Vendor Qualifications

<http://www.fsa.usda.gov/daco/qualifications.htm>

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[News Room](#) [About Us](#) [Services](#) [Offices](#) [Online Forms](#) [Help](#)

**Online**  
Quick Search

**Navigation**

- ▶ [Commodity Operations Home Page](#)
- ▶ [Site Map](#)
- ▶ [Procurement Information](#)
- ▶ [Vendor Qualification Requirements](#)
- ▶ [Reports: Sales, Prices & Data](#)
- ▶ [Notices to the Trade](#)
- ▶ [Freedom of Information Act](#)
- ▶ [FAQ's](#)
- ▶ [Contacts](#)
- ▶ [Comments/Suggestions](#)
- ▶ [E-mail subscription](#)
- ▶ [About DACO](#)
- PROGRAM ACTIVITY**
- ▶ [Bioenergy](#)
- ▶ [Bulk Commodities](#)
- ▶ [Contract Reconciliation](#)
- ▶ [Cotton](#)
- ▶ [Peanuts](#)
- ▶ [Dairy Operations](#)
- ▶ [Domestic Operations](#)
- ▶ [Export Operations](#)

## Commodity Operations

[FSA Home Page](#) > [Services](#) > [Commodity Operations Home Page](#) > Vendor Qualification Requirements



### QUALIFICATION INFORMATION FOR NEW VENDORS

**[Vendor Qualification Requirements](#) - updated 11/15/05**

The qualification requirements requested are a reexamination and revalidation of established qualification requirements as required by FAR part 9.202(f), and are necessary for Kansas City Commodity Office (KCCO) to carry out its procurement mission.

**For information on:**

- Determination of need for Qualification Requirements
- Market Research Report Supporting Qualification Requirements
- Technical Contact for Qualification Requirements

Betty Kunkel, Small Business Specialist

# ***FSA Email Subscriptions***

<http://www.fsa.usda.gov/daco/subscribe.asp>



## **COMMODITY OPERATIONS E-LIST**

To subscribe to one of our lists enter your e-mail address below:

Please enter your e-mail address

...select an electronic list from the following...

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BULK GRAIN INFORMATION  
EXPORT INFORMATION  
DAIRY INFORMATION  
DOMESTIC INFORMATION  
COTTON AND RICE PRICES  
PEANUTS WEEKLY PRICES  
WOOL AND MOHAIR WEEKLY PRICES  
SUGAR INFORMATION  
WAREHOUSE INFORMATION

For additional information about what is contained in each list and to view what is currently available at our web site, see below.

choose how you would like to receive the e-mail or  
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# ***AMS Selling Kit***

## ***Commodity Programs:***

- Livestock and Seed

<http://www.ams.usda.gov/lscp/index.htm>

- Fruit and Vegetable

<http://www.ams.usda.gov/fv/fvcomm.htm>

- Poultry

<http://www.ams.usda.gov/poultry/pycom.htm>

# ***SMALL BUSINESS ACHIEVEMENT***

- AMS is committed to expanding opportunities for small, disadvantaged, HUBZone, veteran-owned, and women-owned business.
- During Fiscal Year 2005 AMS awarded 45.10% of the total dollars to small business firms

# ***AMS Program Initiatives***

- Move to Year Around Purchases
- Small Business Set-Asides
- Fresh, Boneless Combo Programs
  - Beef
  - Pork
- Sealing Transportation Conveyances

# ***AMS Program Outlook***

- Food Defense
- Food Labeling Requirements
  - Food Allergens
  - Trans-Fat
- Improving On-time Deliveries